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[1](#)E. NEW DELHI 1653  
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[1](#)G. NEW DELHI 1938  
[1](#)H. NEW DELHI 2177  
[1](#)I. NEW DELHI 2272  
[1](#)J. NEW DELHI 2865

Classified By: Acting PolCouns Atul Keshap for Reasons 1.4 (B,D)

[1](#)1. (U) Below is a compilation of political highlights from Embassy New Delhi for July 17-25, 2007 that did not feature in our other reporting, including:

- MEA Questions General Toolan on China and Nepal
- Australia and India Raising the Bar on Defense Cooperation
- Indian Vice-Presidential Race Shaping Up
- Defense Minister's Visit to Sudan Called Off to Appease Khartoum?
- PM Singh: "The Line of Control Can Be Turned Into a Line of Peace"
- Delhi Police Charge MP with Human Smuggling
- GOI Proposal to Monitor Pregnancies and Abortions Draws Flak
- Indian Foreign Minister to Visit Bhutan July 27-29 to Sign Hydropower Deal

MEA Questions General Toolan on China and Nepal

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[1](#)2. (C) Following the unclassified China presentation given by General Toolan,s delegation July 16, Ministry of External Affairs (MEA) Joint Secretary (East Asia) Vijay Gokhale peppered him with a series of questions that demonstrated the MEA's intense interest and detailed knowledge about China,s strategic interests, but revealed little about Indian thinking. Is China exploiting dual use? Yes, in particular in its application of commercial ship construction to military vessels. Can China shift its short-range ballistic

missiles (SRBMs) from their current position facing Taiwan? The SRBMs are mobile, so yes. Did China test a DF-31 or DF-31A in June? Since the Chinese finished the DF-31 testing cycle, probably the DF-31A.

13. (C) MEA Joint Secretary (North) Pankaj Saran engaged in a brief dialogue about Nepal, during which he reiterated the Indian commitment to holding November 22 elections. Saran underlined the necessity of rehabilitating the Maoists, and suggested that Nepal could integrate them into a paramilitary force, similar to India's Central Industrial Security Force or Border Security Force, especially since Nepal has no border force to speak of. Asked by Toolan how the U.S. should respond to any requests for lethal military assistance, Saran repeated the assertion that the U.S. should only consider requests from the Government of Nepal and not directly from the Army. Toolan also quizzed new MEA Americas Director Dharmendra about the current political situation in Bangladesh, where Dharmendra had just served.

#### Australia and India Raising the Bar on Defense Cooperation

14. (U) Defence Minister A.K. Antony and Australian Defence Minister Brendan Nelson reached an agreement to increase defense cooperation between the two countries in New Delhi July 11. The accord seeks to implement plans envisaged in the Memorandum of Understanding (MOU) on defense cooperation concluded by Indian and Australian officials in March 2006, Ministry of Defence (MOD) officials reportedly said. The recent agreement calls for greater maritime cooperation, joint naval exercises, classified information sharing, and increased military exchanges, including the training of armed

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forces. Nelson's visit to India was the first from an Australian Defence Minister in two decades. Navy-to-navy staff talks began in February of this year, following a "passing exercise" conducted by Indian and Australian warships in late 2006.

15. (U) Increasing cooperation on the maritime front, India and Australia have agreed to hold frequent meetings of the recently constituted Bilateral Maritime Security Operations Working Group. The Australian warship HMAS Adelaide is expected to make a call at Vishakapatnam and Chennai ports in October, and Australia and India will participate in a joint naval exercise in the Bay of Bengal in September along with the U.S., Japan and Singapore.

16. (C) Nelson reaffirmed Australia's commitment to a trilateral strategic alliance with the U.S. and Japan, according to the BBC, saying it was "based on common democracy, (and) common security interest in the region, particularly in North East Asia." According to "The Hindu," Nelson said Australia is "happy" with existing security arrangements and did not want to complicate matters by forging another security grouping in the region. "We do not wish to have quadrilateral strategic dialogue in defense and security matters," Nelson reportedly said, adding, "We wish for separate bilateral arrangements." Yoshitaka Kitamura, Second Secretary at the Japanese Embassy, told PolOff on July 16 that Nelson's comments only confirm Australia's stance, which it presented at the Trilateral Strategic Dialogue meeting held in Washington, D.C. with Australia and Japan.

#### Indian Vice-Presidential Race Shaping Up

17. (U) The Indian Election Commission announced India's thirteenth Vice-Presidential election will take place on August 10, with results declared on the same day. The Vice-Presidential election, similar to the Presidential election, is conducted through an electoral college comprised of members from both houses of Parliament. The total number of voters is 790 (545 from the Lok Sabha and 245 from the

Rajya Sabha).

¶8. (SBU) With the Presidential race decided, political parties shifted focus to Vice-Presidential candidates. On July 20, the United National Progressive Alliance (UNPA), commonly referred to as the Third Front, filed nomination papers for Samajwadi Party (SP) Member of Parliament (MP) from Uttar Pradesh (UP), Rasheed Masood. On July 23, both the Bharatiya Janata Party (BJP)-led National Democratic Alliance (NDA) coalition and the Congress-led United Progressive Alliance-Left allied coalition filed nomination papers for former Congress member and Deputy Chair of the Rajya Sabha, Najma Heptullah, and for diplomat and Chairperson of the National Minorities Commission, Dr. Mohammad Hamid Ansari, respectively.

¶9. (C) Comment: Despite knowing they do not have the numbers to win, the BJP leadership asserted they would not be doing their job as the opposition if they sat idly by and allowed the Congress-Left candidate to win uncontested. After A.P.J. Abdul Kalam left office as President on July 25, the government no longer had a high-level Muslim leader; this appears to be the reason why all three alliances have put forth Muslim candidates. The BJP candidate, Heptullah, was a Congress member for over three decades until 2004, when she switched to the BJP after a falling out with Sonia Gandhi. Ansari, though a diplomat and not a politician, holds the high esteem and respect of most and is expected to sail to victory on August 10. The Vice-President presides over the upper house of Parliament and would take over as President in the event that the President were unable to carry forth his duties. Post will report biodata and analysis septel.

Defense Minister's Visit to Sudan Called Off to Appease

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Khartoum?

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¶10. (U) Defence Minister A.K. Antony's planned trip to Sudan to meet Indian peacekeepers may be on hold due to Khartoum's spat over the deployment of UN troops in Darfur, according to the "Indian Express." Antony is scheduled to visit the Congo and Sudan early next month. The Ministry of External Affairs reportedly communicated its reservations about the trip to the Ministry of Defence, citing concerns that Khartoum has expressed opposition to a UN mandate to "use all necessary means" to protect citizens.

¶11. (C) Comment: Yogesh Saxena, a retired United Nations peacekeeping functionary, speculated to PolOff July 17 that the MEA might be uncomfortable with the visit, and unwilling to alienate the Government of Sudan (GOS), due to India's oil interests in Sudan. Considering India's need for energy, this is not an unthinkable scenario. However, although the GOI sometimes walks a fine tightrope between pleasing the international community and appeasing individual countries in order to meet its energy needs, India consistently stands with the UN in the end. If Antony ends up cancelling the visit, it will be to avoid siding with either party. End comment.

PM Singh: "The Line of Control Can Be Turned Into a Line of Peace"

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¶12. (U) Prime Minister Manmohan Singh, in a speech at Jammu University on July 15, repeated ambitious suggestions for the normalization of relations across the Line of Control (LoC), according to media reports. Singh expressed hope that ideas and services would be exchanged across the LoC, and that eventually the LoC could be turned into a "line of peace." Singh also raised the possibility that the region's natural resources could be used "jointly for the benefit of all the people living on both sides of the Line of Control," as opposed to being a source of discord. Singh recognized the

need for internal autonomy within Jammu and Kashmir, and for recognition of the "cultural distinctiveness of every community." He emphasized, however, that "it goes without saying that this can only happen once terrorism and violence end permanently."

¶13. (C) Comment: This latest speech by Singh on Jammu and Kashmir is consistent with the Government of India,s (GOI) relatively conciliatory tone on the issue over the past several years. The timing is interesting in that Singh is perhaps indicating that the GOI will maintain this position on Jammu and Kashmir regardless of whether President Musharraf stays or goes. However, this does not represent a new offer by Singh to separatists in the region. He re-extended an invitation to separatists to participate in round-table talks ) an invitation that has been turned down in the past. End Comment.

Delhi Police Charge MP with Human Smuggling

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¶14. (U) On July 16, Delhi police filed charges against suspended Bharatiya Janata Party (BJP) Member of Parliament Babubhai Katara (and five others) accused of human smuggling. On April 18, Katara was stopped at the New Delhi International airport (en route to Toronto) with a woman and 15-year old boy, posing as his wife and son and traveling on diplomatic passports (reftels A,B). Police charged Katara with forgery, cheating and criminal conspiracy under the Indian Penal Code. Investigations are still underway for Bahujan Samaj Party (BSP) MPs Mohammed Tahir Khan, Mitasen Yadav, Ashok Kumar Rawat and BJP,s Ram Swaroop Kohli, though many suspect they may eventually be charged as well.

¶15. (C) Comment: Embassy marvels at the relative speed (3  
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months) in which the Delhi Police brought charges against Katara. However, given India,s leisurely judicial system, it may be years before Katara is indicted. Meanwhile, the Congress Party continues to salivate over the BJP MP,s misfortune in being caught red-handed. End comment.

GOI Proposal to Monitor Pregnancies and Abortions Draws Flak

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¶16. (C) In another well-intentioned (but impractical and intrusive) effort to curb female feticide and infant mortality, the Ministry of Women and Child Development (MWCD) has proposed mandatory registration of all pregnancies in India. As reported reftel, female feticide is rampant in many states and largely due to deep-rooted prejudice and discrimination against women. According to the 2001 census, India,s sex ratio is 927 girls to 1000 boys. In some states, like Punjab and Haryana, the ratio is a paltry 798:1000.

¶17. (SBU) Perhaps taking a cue from a handful of Orwellian efforts at the local level which produced positive steps in closing the sex ratio disparity, MWCD Minister Renuka Chowdhury announced her intentions to encourage the GOI to register all pregnancies in India and permit abortions only under special circumstances. The Ministry of Health and Family Welfare is also on board. However, several NGOs immediately raised concerns about privacy rights. President of WomenPowerConnect Ranjana Kumari stated, &It would lead to too much intrusion into someone,s private life and would be difficult to obtain data.8 Other NGOs are concerned that equipping the GOI with permission to intrude into private affairs would be a corrupt process that further exploits, rather than helps, women.

¶18. (C) Comment: Chowdhury has made several provocative statements and proposals, many of which do not ever make it to Parliament,s floor. Sanjay Gandhi,s sterilization plan to control population in the 1970s is still bitterly

remembered as a failure. However, female feticide has reached a crisis point in some states and is directly linked with a laundry list of social ills (e.g. the rise of trafficked women and girls; maternal mortality; or a band of brothers sharing brides due to their scarcity.) The best way to fight female feticide is through changing attitudes toward the girl child without violating the privacy that a vibrant democracy assures its citizens. End comment.

Indian Foreign Minister to Visit Bhutan July 27-29 to Sign Hydropower Deal

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¶19. (U) On July 25, the Bhutanese official newspaper Kuensel reported that Indian Foreign Minister Pranab Mukherjee will make his second official visit to the Kingdom of Bhutan July 27-29. Mukherjee's main purpose for visiting is to sign an agreement committing the GOI to provide funding to build the 1095 MW Punatshangchu-1 hydroelectric project.

¶20. (U) According to Kuensel, a GOI consultant firm has estimated the cost of constructing Punatshangchu-1 to be USD 872 million, and the GOI has agreed to pay up front for the entire cost, granting 40 percent of the money and submitting the remaining 60 percent as a loan to Bhutan with an APR of 10 percent.

¶21. (SBU) COMMENT: This financing plan is even more favorable to the Bhutanese than the arrangement for the 1020 MW Tala hydroelectric project finished in 2006. That project was funded by the GOI with USD one billion, of which half was concessional loans, while the other USD 500 million were front-loaded loans which Bhutan was obliged to begin paying off when the station went into service in March 2007. These two huge hydropower projects, coupled with the privately-owned Tala Transmission power-line project (which

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came into operation in 2006 and has so far carried 3.5 billion energy units between the Tala plant and India), demonstrate the vigor of bilateral commitment to Indo-Bhutanese energy cooperation. Such cooperation is a win-win scenario for both countries, as India desperately needs more energy and Bhutan urgently needs more capital for development. END COMMENT.

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